



via FCC ECFS

April 17, 2014

Julie Veach
Chief, Wireline Competition Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: In the Matter of Schools and Libraries Universal Service Support Mechanism,
CC Docket No. 02-6, Estimate of Demand for Funding Year 2014

Dear Ms. Veach:

The Universal Service Administrative Company's (USAC's) estimate of demand for the Schools and Libraries Universal Service Support Mechanism discounts for Funding Year (FY) 2014 (July 1, 2014 to June 30, 2015) is \$4.825 billion. This estimate is based on total funds requested in 45,731 FCC Form 471 applications received or postmarked on or before March 26, 2014, the close of the FY 2014 FCC Form 471 filing window. A table showing demand by service type and discount band is attached to this letter.

The total estimated demand for FY 2014 of \$4.825 billion decreased approximately \$161 million (3.2 percent) from the estimated demand for FY 2013 of \$4.986 billion. Estimated demand for Priority One funding (telecommunications services and Internet access) is \$2.630 billion, a decrease of 2.9 percent from last year's demand of \$2.709 billion. Estimated demand for Priority Two funding (internal connections other than basic maintenance and basic maintenance of internal connections) is \$2.194 billion, a decrease of 3.6 percent from last year's amount of \$2.277 billion.

Estimated demand for Priority 2 services at the 90 percent discount rate is \$1.674 billion, a decrease of 4.9 percent from last year's amount \$1.760 billion. For FY 2014, 98.3 percent of the timely FCC Form 471 applications were filed online, which is essentially the same percentage of timely online-filed applications submitted in FY 2013. In addition, 81.6 percent of FCC Form 471 certifications were filed online, which is essentially the same percentage of timely online-filed certifications submitted in FY 2013.

USAC's application reviews will reduce the FY 2014 demand from the estimated level set forth in this letter and the attachment for several reasons. First, USAC will find duplicate funding requests as these funding applications are reviewed and processed. Second, USAC's efforts to assure that funds are committed only for eligible services and

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equipment for use by eligible entities with the appropriate discount rate and are otherwise consistent with FCC rules will further reduce the demand estimate.

I would be happy to answer any questions you may have regarding this information.

Sincerely,

//s// Mel Blackwell
Vice President

Attachment: FY2014 Demand Estimate

cc: Marlene H. Dortch, Secretary, FCC (via electronic filing)
Jon Wilkins, Managing Director, FCC (via e-mail only)
Mark Stephens, Chief Financial Officer, FCC (via e-mail only)
Dana Shaffer, Deputy Managing Director, FCC (via e-mail only)
Trent Harkrader, Associate Bureau Chief, FCC (via email only)
Patrick Halley, Acting Policy Advisor, Office of the Bureau Chief, FCC (via e-mail only)
Lisa Hone, Deputy Division Chief E-rate, FCC (via e-mail only)
Gina Spade, Deputy Division Chief, FCC (via e-mail only)



Estimate of Demand (Post Discount) 2014

FRN 10% Stratification Report

Report Data as of COB:

Monday, April 14, 2014

	<u>Telecom Services</u>	<u>Internet Access</u>	<u>Priority 1</u>	<u>Internal Connections</u>	<u>Basic Maintenance</u>	<u>Priority 2</u>	<u>Total</u>	<u>Percent</u>
:19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%
20:29	\$1,602,285.15	\$1,064,739.72	\$2,667,024.87	\$144,884.95	\$59,532.35	\$204,417.30	\$2,871,442.17	0.1%
30:39	\$2,698,360.51	\$971,747.69	\$3,670,108.20	\$0.00	\$0.00	\$0.00	\$3,670,108.20	0.1%
40:49	\$72,601,995.90	\$39,434,331.27	\$112,036,327.17	\$3,356,686.21	\$788,715.49	\$4,145,401.70	\$116,181,728.87	2.4%
50:59	\$101,883,603.34	\$43,921,961.59	\$145,805,564.93	\$6,374,960.46	\$459,145.61	\$6,834,106.07	\$152,639,671.00	3.2%
60:69	\$183,386,220.54	\$105,793,147.88	\$289,179,368.42	\$25,462,542.27	\$926,383.33	\$26,388,925.60	\$315,568,294.02	6.5%
70:79	\$347,851,843.08	\$206,865,126.57	\$554,716,969.65	\$29,680,545.78	\$2,579,582.06	\$32,260,127.84	\$586,977,097.49	12.2%
80:89	\$724,895,049.82	\$269,295,740.19	\$994,190,790.01	\$413,851,596.79	\$36,888,617.24	\$450,740,214.03	\$1,444,931,004.04	29.9%
90:90	\$324,949,735.24	\$203,040,949.89	\$527,990,685.13	\$1,499,518,626.09	\$174,379,818.65	\$1,673,898,444.74	\$2,201,889,129.87	45.6%
TOTAL	\$1,759,869,093.58	\$870,387,744.80	\$2,630,256,838.38	\$1,978,389,842.55	\$216,081,794.73	\$2,194,471,637.28	\$4,824,728,475.66	100.0%
	36.5%	18.0%	54.5%	41.0%	4.5%	45.5%	100.0%	

Notes:

These figures represent the total universe of requests received inside the filing window. The estimate includes those requests for which the certifications were received and postmarked by the deadline. The totals above may reflect some duplicate applications. These requests are as submitted by the applicants and not yet reviewed for compliance with program rules.

Fund Year: 2014

Apps Received: 45,731

FRNS: 135,215

Total Post Discount: \$4,824,728,475.66

Deadline (Window Close): 3/26/2014 11:59:59 PM